

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**5. Lease Serial No.  
NMLC069464A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
ARCTURUS 18 FEDERAL 3H2. Name of Operator  
DEVON ENERGY PRODUCTION CO  
Contact: MELANIE A CRAWFORD  
Email: melanie.crawford@dev.com9. API Well No.  
30-015-38953-00-X13a. Address  
20 NORTH BROADWAY SUITE 1500  
OKLAHOMA CITY, OK 731023b. Phone No (include area code)  
Ph: 405-552-452410. Field and Pool, or Exploratory  
HACKBERRY4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 18 T19S R31E SWSW Lot M 1000FSL 340FWL11. County or Parish, and State  
EDDY COUNTY, NM**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Co LP respectfully requests to Lease Commingle, Off Lease Measurement, Sales & Storage the following wells:

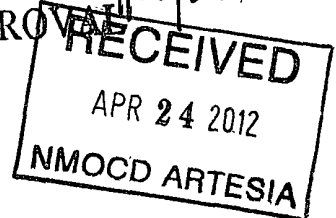
Arcturus 18 Federal 3H  
30-015-38953  
NMLC 069464-A

Arcturus 18 Federal Com 4H  
30-015-38611  
SHL: NMLC069464-A, BHL: NM126966, Pending CA

The two Arcturus wells are located on one well pad. These wells will share a tank battery and DCP

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Accepted for record  
107 NMOCD  
4/25/2012



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #131091 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad  
Committed to AFMSS for processing by KURT SIMMONS on 02/21/2012 (12KMS1036SE)

Name (Printed/Typed) MELANIE A CRAWFORD

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 02/16/2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

Title

LPE7

Date

4/23/12

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #131091 that would not fit on the form**

**32. Additional remarks, continued**

CDP Gas Meter 726972-00.

## APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLING & OFF-LEASE MEASUREMENT, SALES, & STORAGE

State of New Mexico -- Santa Fe  
Oil Conservation Division  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

### Lease commingling proposal for Arcturus:

Devon Energy Production Company, LP is requesting approval for the Lease Commingling, Off Lease Measurement, Sales and Storage for the Arcturus 18 Federal 3H and Arcturus 18 Federal Com 4H.

#### Federal Lease: NMLC 069464-A

Well Name	Location	API #	Pool 97020	BOPD	Oil Gravity	MCFPD	BTU
*Arcturus 19 Federal 3H	18-T19S-31E	30-015-38953	Hackberry: Bone Spring, NW (O)	N/A	N/A	N/A	N/A

*Submit upon completion of well*

#### Federal Lease: NMLCF 069464-A, NMNM 126966, & Pending CA

Well Name	Location	API #	Pool 97056	BOPD	Oil Gravity	MCFPD	BTU
*Arcturus 19 Federal Com 4H	18-T19S-31E	30-015-38611	Hackberry: Bone Spring, NW (O)	N/A	N/A	N/A	N/A

*Submit upon completion of well*

\*Wells are currently drilling and/or completing and will provide production once available by Sundry for both wells listed.

A map is enclosed showing the Federal leases and well locations in Section 18-T19S- R31E. The ownership in the Arcturus lease is not uniform; working, royalty, and overriding interest owners have been notified of this proposal via certified mail.

### Oil & Gas metering:

A central tank battery will be located at the Arcturus well pad that is located in the Section 18-T19S-R31E. A common gas sales meter associated with a DCP CDP 726972-00 is also located on the well pad located in Sec 18-19S-R31E. The oil and gas will from the Arcturus 18 Federal Com 4H will be commingled, measured and sold off lease; using the Well Test Method.

Oil, gas and water volumes from each well producing to this battery will be determined by using a test separator/heater treater at the proposed facility so that one well is always producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas and water. Well tests for each well will be conducted at least once per month. The time frame of the test will be ~~daily~~ <sup>24 hr</sup> and the test will flow into a tank. The test meter number is 677-49-147.

The BLM's interest in these wells is the same. Waste is not induced and no correlative rights are impaired. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facilities.

### Process and Flow Descriptions:

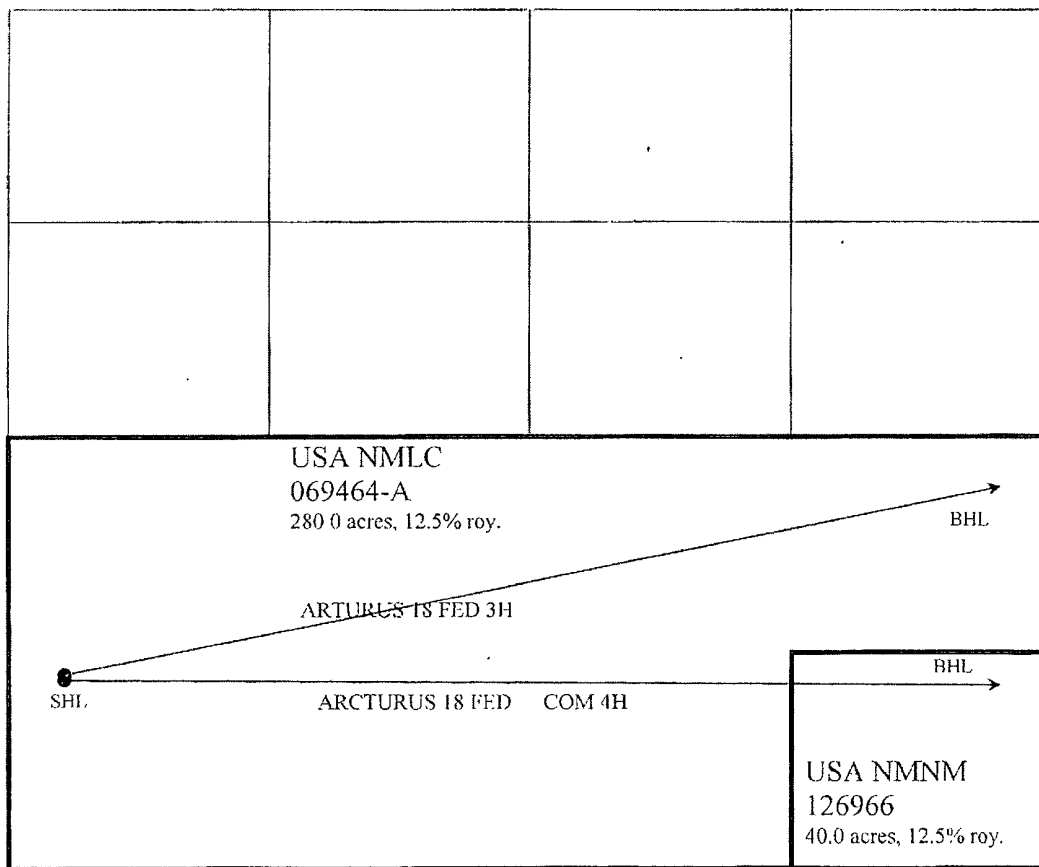
Please see attached diagram for the proposed Arcturus 18 Federal 3H & Arcturus 18 Federal Com 4H tank battery. The flow of produced fluids is shown in detail along with a description of each vessel.

The commingling of production is in the interest of conservation and waste and will result in the most effective, economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

Devon Energy Production Company, LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. Additionally, Devon Energy Production Co., LP will submit within 30 days, an application for right-of-way approval to the BLM and NMOCD section in your office, if we have not already done so.

Signed: Melanie Crawford  
Printed Name: Melanie Crawford  
Title: Regulatory Analyst  
Date: 2-16-12

Arcturus 18 Federal 3 H  
Arcturus 18 Federal Com 4H  
Section 18-T19S-R31E, Eddy County, New Mexico



**Arcturus 18 Fed #3H**  
**Section 18,T19S,R31E**  
**1200FSL&340FWL**  
**Eddy County, N.M**

Production System: Open

- 1) Oil sales by tank gauge to tank truck.  
 2) Seal requirements:

A. Production Phase: On all Tanks.

- (1) All valves 5 sealed closed.

Sales Phase: On Tank being hauled.

- (1) Valve 1 sealed closed.   
 (2) Valve 3 sealed closed.   
 (3) Valve 4 sealed closed.   
 (4) Valve 5 sealed closed.

(5) Misc. Valves: Plugged or otherwise inaccessible.

NOTE: Valve 2 is either a test or roll line if there is a valve 2 it will be sealed closed.

**Ledger for Site Diagram**

- Valve #1: Production Line   
 Valve #2: Test or Roll line   
 Valve #3: Equalizer Line   
 Valve #4: Circ./Drain Line   
 Valve #5: Sies Line   
 Valve #6: BS&W Load Line

Buried Lines:

Firewall:

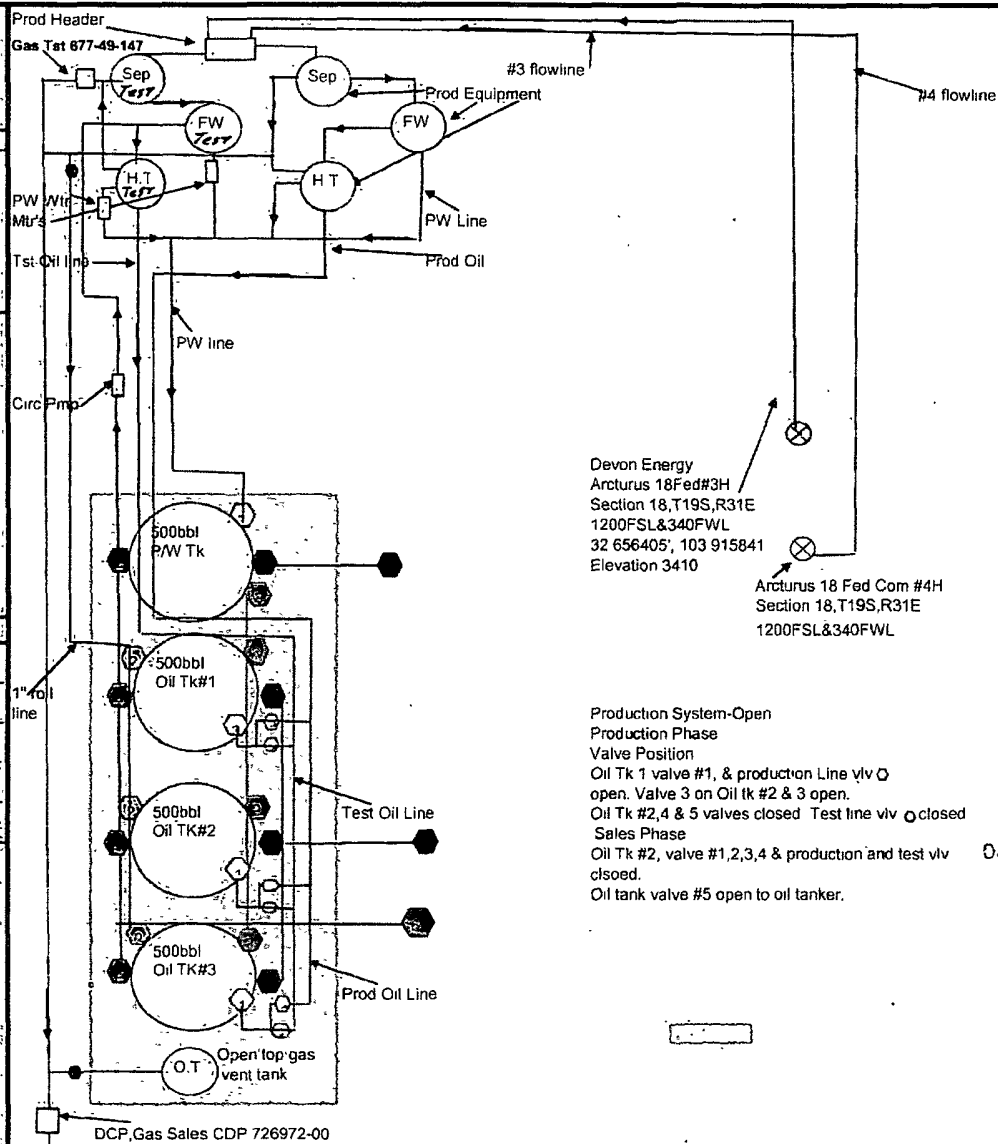
Wellhead:

Stak-pak:

Production line:

Water line:

Gas Meter (A) (M) (C)



Devon Energy  
 Arcturus 18 Fed #3H  
 Section 18,T19S,R31E  
 1200FSL&340FWL  
 32 656405', 103 915841  
 Elevation 3410'

Arcturus 18 Fed Com #4H  
 Section 18,T19S,R31E  
 1200FSL&340FWL

Production System-Open  
 Production Phase  
 Valve Position  
 Oil Tk 1 valve #1, & production Line vlv O  
 open. Valve 3 on Oil Tk #2 & 3 open.  
 Oil Tk #2,4 & 5 valves closed Test line vlv O closed  
 Sales Phase  
 Oil Tk #2, valve #1,2,3,4 & production and test vlv  
 closed.  
 Oil tank valve #5 open to oil tanker.

North



Devon Energy Production Company  
20 North Broadway - CT 3.058  
Oklahoma City, Oklahoma 73102-8260  
Phone: (405)-552-5424  
Fax (405)-552-1358  
[Melanie.Crawford@dev.com](mailto:Melanie.Crawford@dev.com)

February 16, 2012

Mr. Richard Ezeanyim  
State of New Mexico  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

**Re: Lease Commingle, Off Lease Measurement, Sales, & Storage  
Arcturus 18 Federal 3H & Arcturus 18 Federal Com 4H  
Sec 18-T19S-31E  
NMLC 069464-A & NM 126966  
API # 30-015-38953 & 30-015-38611  
Hackberry; Bone Spring; NW (O) Pool Code: 97020  
Eddy County, New Mexico**

Dear Mr. Ezeanyim:

Please find attached the OCD Form C-103 and BLM Form 3160-5 Sundry Notice of Intent Lease Commingle, Off Lease Gas Measurement & Sale the aforementioned wells. The working interest, royalty interest and overriding royalty interest owners are not identical; notification has been sent (see attached).

BLM sundry approval and BLM conditions of approval attached.

Should you require any additional information or assistance, please do not hesitate to contact me at (405)-552-4524.

Very truly yours,

**DEVON ENERGY PRODUCTION COMPANY, L.P.**

A handwritten signature in cursive script that reads "Melanie Crawford". The signature is written in dark ink and is positioned above the typed name and title.

Melanie Crawford  
Regulatory Analyst

Enclosures

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

#### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

#### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
 U S Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

#### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Melanie Crawford  
 Print or Type Name

Signature

Regulatory Analyst  
 Title

2-16-12  
 Date

Melanie.Crawford@dmv.com  
 E-mail Address



District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Devon Energy Production Co., LP  
OPERATOR ADDRESS: 20 North Broadway, Oklahoma City, OK 73102  
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.  
(4) Measurement type. ☐ Metering ☐ Other (Specify) \_\_\_\_\_  
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved \_\_\_\_\_

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code.  
(2) Is all production from same source of supply? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☐ Metering ☒ Other - Well Test Method

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and B.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☒ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Melanie Crawford TITLE: Regulatory Analyst

DATE: 2-16-12

TYPE OR PRINT NAME: Melanie Crawford TELEPHONE NUMBER: 405-552-4524  
E-MAIL ADDRESS: Melanie.Crawford@dmr.com

Submit 3 Copies To Appropriate District Office  
District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103

May 27, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-015-38953 & 30-015-38611
5. Indicate Type of Lease FED <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. See Below
7. Lease Name or Unit Agreement Name See Below
8. Well Number See Below
9. OGRID Number 6137
10. Pool name or Wildcat 97020 Hackberry; Bone Spring, NW (O)

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator  
Devon Energy Production Company, LP

3. Address of Operator  
20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-4524

4. Well Location  
Unit Letter \_\_\_\_\_ feet from the \_\_\_\_\_ line and \_\_\_\_\_ feet from the \_\_\_\_\_ line  
Section 18 Township 19S Range 31E NMPM Eddy County New Mexico

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
n/a

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: Lease Commingle, Off Lease Measurement, Sales, & Storage <input checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
	CASING/CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon Energy Production Co., LLP respectfully requests to Lease Commingle, Off Lease Measurement, Sales & Storage the following wells:

Arcturus 18 Federal 3H NMLC 069464-A  
Arcturus 18 Federal Com 4H NMLC069464-A, NMNM 126966, & Pending CA#  
SHL BHL

The two Arcturus wells are located on the one well pad. The wells will share a tank battery and DCP CDP 726972-00. Both facilities are located on the well pad. Please see attached for description of production for wells.

The working, royalty, and overriding royalty interest owners are not identical; parties have been notified via certified mail (see attached).

ROW will or has already been obtained.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE: Melanie Crawford TITLE: Regulatory Analyst DATE: \_\_\_\_\_

Type or print name Melanie Crawford Email address: Melanie.Crawford@dvn.com Telephone No. (405) 552-4524  
For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

Conditions of Approval (if any):



Devon Energy Corporation  
20 North Broadway  
Oklahoma City, OK 73102-8260

405 235 3611 Phone  
www.devonenergy.com

February 16, 2012

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Interest Owners

Re: Request for Lease Commingle, Off Lease Measurement, Sales, & Storage  
Arcturus 18 Federal 3H & Arcturus 18 Federal Com 4H  
Sec 18-T19S-R31E  
API # 30-01538953 and API # 30-015-38611  
Pool 97020 Hackberry; Bone Spring; NW(O)  
Eddy County, New Mexico

Gentlemen:

This is to advise you that Devon Energy Production Company, LP, is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval to permit a lease commingle, off lease measurement, sales and Storage of production from the above leases and pools.

A copy of our application submitted to the Division is attached.

Any objections or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at (405) 552-4524 should you have any questions or need anything further.

Sincerely,

Devon Energy Production Company, L.P.

A handwritten signature in black ink that reads "Melanie Crawford". The signature is written in a cursive, flowing style.

Melanie Crawford  
Regulatory Analyst

Enclosure

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Arcturus 18 Federal 3H and 4H**  
Devon Energy Production Co., LP  
April 22, 2011

**Condition of Approval  
Commingle on and off lease**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.
- 11. Upon completion of the wells submit production daily volumes and BTU for gas and gravity for oil.**
- 12. Need to submit for Com. Agreement for Arcturus 18 Federal 4H. If Com. Agreement would include the acreage of both well this commingling agreement would not be required.**